

Solem, Aleisha

From: Steve Tyrrel [tyrrel@midrivers.com]
Sent: Friday, November 25, 2011 4:39 PM
To: Solem, Aleisha
Cc: Rhyno Stinchfield; tyrrel@midrivers.com
Subject: MAR notice 38-5-214

Commissioners,

We are writing to express our concern with the proposed rules changes as presented in notice 38-5-214. We believe there is enormous value to Montana and our neighbors in developing geographically dispersed QF projects in our State. As a part of the energy mix, the certainty of a 20 year Wind PPA provides stability in an uncertain energy market. We submit that the proposed rules changes will cause project economics to become prohibitive. As it currently stands, losing the option three rate and uncertain integration costs have caused project economics to appear bleak.

Without a published rate set in advance, there is reason to believe that small and community wind projects would be unable to attract the financing necessary to fund a project in the development stage due to the uncertainty of the eventual price a project might be paid for energy production. Without the expectation of a specific price, negotiating with a utility that is not interested in "QF" wind projects might be impossible.

The size cap dropping from 10mw to 2mw would make any development economics prohibitive. There is a current pause in QF development caused by the removal of option three and integration cost uncertainty. There is no compelling need to further hobble wind development with a size cap reduction.

We strongly oppose MAR 38-5-214.

Sincerely,

Steve Tyrrel

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